

# **EXHIBIT 1**

Page 1

**From:** "Ian Rupert" <ian@iansenterprise.com>  
**Date:** 5/22/2018 9:10:05 PM  
**To:** claimdocs@csaa.com  
**Cc:** "Jeffrey Covington" <jtcovington@live.com>; "Tammy Covington" <jtcovington92@yahoo.com>  
**Subject:** 20180522\_Mitigation Proof of Loss PKG - Claim# 1002678208 - 17121 SE 59th St - Covington  
**Attachments:** 20180522\_CF-17121-Covington, Mitigation Proof of Loss PKG (NOTARIZED).pdf

20180522\_Mitigation Proof of Loss PKG - Claim# 1002678208 - 17121 SE 59th St - Covington

Sincerely,

Ian Rupert, Chief Insight Analyst  
Mobile: (405) 622-8721  
Email: [Ian@IansEnterprise.com](mailto:Ian@IansEnterprise.com)

Ian's Enterprise, LLC  
Headquarters in Choctaw, Oklahoma

National Support Center  
9450 SW Gemini Dr #39525  
Beaverton, OR 97008-7105  
Main: (405) 622-8679 | (855) 622-8679  
Fax: (405) 622-8677 | (855) 622-8679  
Email: [Support@IansEnterprise.com](mailto:Support@IansEnterprise.com)  
Website: <http://IansEnterprise.com>

Nothing in this letter is intended to be, nor should be construed by you, an estoppel or waiver of any rights, terms, conditions, or defenses to any contract.

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Claims Department  
9450 SW Gemini Dr. #39525  
Beaverton, OR 97008-7105



Headquarters in Choctaw, Oklahoma

Tuesday, May 22, 2018

CSAA Fire & Casualty Insurance Company  
PO BOX 24523  
Oakland CA 94623-1523

Subject: Mitigation Proof of Loss  
Claim# 1002678208 and Policy# HO5-004008561  
Date of Loss: 08/08/2017, Adjusted: TBD, Re-inspected: TBD

Dear Alan Heise, CSAA Fire & Casualty Insurance Company ("AAA"), and To Whom It May Concern:

We are writing to establish the scope of mitigation with AAA for the above-referenced loss.

Upon careful inspection, it has been determined the structure, as the result of a sudden discharge of water from an air conditioner condensate drain line located in the utility closet, sustained severe water damage to the 5/8<sup>th</sup> inch solid wood flooring and subfloors throughout. Moisture readings indicate high levels of water content underneath floor tiles. Crawl space inspection confirmed severely water damaged subfloors and water staining of the floor joists, both of which support the finish wood and tile flooring. Visual inspection of the point of origin utility closet air intake revealed black-stained, water damaged drywall and subfloor requiring detach and reset of the heat and air unit for access, after which a detailed cleaning with antimicrobial of the entire system is necessary for safety. Moisture readings indicate a 3-day or 4-day dry-out is warranted in the crawl space. In order to affect an efficient drying process, the finish flooring should be removed so a proper dry-out chamber may be installed for the crawl space.

Our total mitigation costs are estimated at \$13,641.32 for the structure as per the public adjuster's 50-page mitigation Xactimate estimate and photos package attached hereto. Also attached, you will find expert tech reports for both mitigation and cause of loss.

The public adjuster advises, and as you know, Xactimate pricing is industry standard and based on the average retail contractor price for each repair; as long as the estimator scopes the loss accurately, one can use Xactimate pricing to ascertain the appropriate expense range of a proposed repair.

Attached, you will find a Notice of Loss, Notice of Representation, and Loss Drafts Addendum. Pursuant thereto, please immediately: 1) cease direct contact, 2) simultaneously copy the public adjuster on all correspondence, 3) include the public adjuster on all loss drafts as co-payee, and 4) provide the public adjuster with a certified policy copy. Let this also serve as formal notice that all prior authorizations are hereby revoked, whether related to premises repairs, vendor programs, direct payment or an assignment of claims proceeds.

We are not aware of any 1) pertinent time or cause of loss other than as mentioned herein, 2) third-party interests in the property involved other than any mortgagee of record and any interest as named insured, 3) pending legal claims against the property involved in this loss, 4) other insurance which may cover this loss, or 5) changes in title or occupancy of the property, other than those that may have been reported to the agent.

Nothing in this letter is intended to be, nor should be construed by you, an estoppel or waiver of any rights, terms, conditions, or defenses to any contract.

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Claims Department  
9450 SW Gemini Dr. #39525  
Beaverton, OR 97008-7105



Headquarters in Choctaw, Oklahoma

You are hereby instructed to direct all further correspondence thru the public adjuster by mail:

Claims Department  
9450 SW Gemini Dr. #39525  
Beaverton, OR 97008

or

Claims Department  
c/o Ian's Enterprise, LLC  
9450 SW Gemini Dr. #39525  
Beaverton, OR 97008

We respectfully submit the attached estimate and photos as our mitigation proof of loss and formally demand \$13,641.32 for the structure, less the appropriate depreciation, \$5,000 deductible and prior payment(s), all as mentioned herein.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey Covington'.

Jeffrey Covington and Tammy Covington

A handwritten signature in black ink, appearing to read 'Tammy Covington'.

Signed and sworn to before me on this 22 day of May, 2018 by Jeffrey Covington and Tammy Covington.



A handwritten signature in black ink, appearing to read 'Doreen Rupert'.

Doreen Rupert, Notary Public

Nothing in this letter is intended to be, nor should be construed by you, an estoppel or waiver of any rights, terms, conditions, or defenses to any contract.

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CSAA Fire & Casualty Insurance Company  
P.O. Box 24523  
Oakland, CA 94623-1523



#### OUR CLAIM INFORMATION

<b>Our Claim number</b>	1002-67-8208
<b>Our Policyholder</b>	JEFFREY COVINGTON
<b>Date of incident</b>	May 12, 2018

*Questions  
about your  
claim?*

Danielle Perez  
**405-493-7018**

Regular Claims Center hours are  
Monday – Friday 8:00 AM – 7:00 PM,  
Central Time

July 10, 2018

Dear Ian's Enterprise, Llc:

Thank you for choosing AAA and trusting us with your insurance needs. We have completed our review of your claim, and, based on the facts of the review, concluded that your policy does not provide coverage for your claim.

### What you need to know

#### Results of our claim review

In investigating the cause of damage, we contacted Alan Heise, AAA Field Adjuster, Matthew Amick with Hi Tech Plumbing, and Danny Griffin with Boardwalk Flooring, to assess the damage to your property. After conducting an inspection, a report was prepared which includes detailed findings of the inspection and a determination that the damage was caused by improper construction as there is not enough ventilation in the crawlspace along with a lack of maintenance to the AC condenser drain line allowing for constant or repeated seepage of leakage of water over a period of weeks, months, or years resulting in visible water damage throughout the home and mold in the furnace room.

Your policy includes coverage for the cost of repairing physical damage to your home and its other structures, if applicable, unless the damage or its cause is excluded or excepted from coverage by one or more provisions in the policy. Unfortunately, the damage detailed in the report is specifically mentioned in your policy as being excluded and/or excepted from coverage. Because of this, we are unable to provide coverage for this loss.

For your reference, below is the specific section(s) of your policy that pertains to this claim.

#### SECTION I PERILS INSURED AGAINST

We insure against risk of direct physical loss to property described in Coverages A, B and C.

We do not insure, however, for loss:

A. Under Coverages A, B and C:

1. Excluded under Section I Exclusions;
2. Caused by:

...

d. Constant or repeated seepage or leakage of "water" or the presence or condensation of humidity, moisture or vapor, over a period of weeks, months or years unless such seepage or leakage of "water" or the presence or condensation of humidity, moisture or vapor is unknown to all "insureds" and is hidden within the walls or ceilings or beneath the floors or above the ceilings of a structure.

...

#### SECTION I EXCLUSIONS

A. We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

Please turn over

...

"Fungi", Wet Or Dry Rot, Or Bacteria

"Fungi", Wet Or Dry Rot, Or Bacteria meaning the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot, or bacteria.

This exclusion does not apply:

- a. When "fungi", wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent coverage is provided for in the "Fungi", Wet Or Dry Rot, Or Bacteria Additional Coverage under Section I – Property Coverages with respect to loss caused by a Peril Insured Against other than fire or lightning. Direct loss by a Peril Insured Against resulting from "fungi", wet or dry rot, or bacteria is covered.

B. We do not insure for loss to property described in Coverages A and B caused by any of the following. However, any ensuing loss to property described in Coverages A and B not precluded by any other provision in this policy is covered.

...

3. Faulty, inadequate or defective:

...

- b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
  - c. Materials used in repair, construction, renovation or remodeling; or
  - d. Maintenance;
- of part or all of any property whether on or off the "residence premises".

## What you need to do

### Protecting your property from further damage

Although your policy does not cover this claim, you have a responsibility to take steps to protect the property from additional or subsequent damage. If you have questions about protecting your property, please contact us at 405 493 7018, Ext. .

## Other important information

### Additional facts about your claim

We reserve the right to provide any additional facts or legal support for our decision. If you have additional information you believe is relevant to your claim, please contact us at 405 493 7018, Ext. .

### Actions against AAA

Please note your insurance policy provides under **SECTION I – CONDITIONS, Suit Against Us**, that no action shall be brought against **AAA** unless there has been compliance with the policy provisions and the action is filed in a court of competent jurisdiction within two years of the date of loss.

## How to contact us

If you have any questions, please contact us at 405 493 7018, Ext. .

We value you as our customer and appreciate the opportunity to assist you.

Sincerely,



Danielle Perez  
Claims Representative

Claim: 1002-67-8208

not have exact date. Date Damage Noticed: mother's day when his brother noticed the blistering on the floor If late reporting why: Subrogation: Can you retain the part? FS or IA will pick up and keep. Policy Type: HO5 Mortgage Company: owns it outright. No mtg. Prior Claims? N/A ----- ITEMS REVIEWED WITH INSURED: Deductible Applies: Advised Insured that Deductible of \$5000 applies to the covered loss. Copy and Paste all Additional Endorsements: Was this explained and did you note insureds acceptance? Advised insured of any special limits of liability and note the insured acceptance. INSPECTION / EXPECTATIONS: We have to complete an inspection first to determine the exact cause, scope and resulting damages involved in your loss. Once the inspection is complete then we can confirm what coverage applies under your policy. Give TIMELINE: Field will call in 1 – 2 business days - Advised insured that O/A will follow up within 8 days. I will be sending you a letter acknowledging your claim. The letter will show the total amount of coverages and your deductible. If you have any questions regarding that letter please feel free to call me. Follow up e-mail sent  
-Heather Davis (05/16/2018 07:22 AM)

FNOL

Spoke with: jeff covington-insured Person filing the claim and relationship if not the insured  
Best contact number: 405-923-6033 cell Email Address: jtcovington@live.com Loss location:  
home 17121 SE 59TH ST, CHOCTAW, OK 73020 Policy type: HO5 Deductible: \$5000  
\*\*\*\*\* Summary of loss: insured advised  
central air conditioner drain backed up and leaked from hall closet, insured advised it was a significant amount of water, he cleaned up the excess water and can see the clear coat has blistered but there is still water underneath floor, insureds brother is a public adjuster and he took a moisture reading around the home and discovered there is water under the floors throughout the home, purchased home in 1993, wood floors put in 2010 1 story home When did the loss happen? 05/12/2018 02:00 PM  
\*\*\*\*\*REVIEWED WITH THE INSURED\*\*\*  
Service Agent: Your policy provides \$191,545 Coverage with a \$5000 Deductible.  
-Jordan Washington (05/15/2018 07:56 AM)

At this time, I cannot confirm or deny coverage until we have had a chance to inspect the damages.  
Your adjuster will contact you by the end of the next business day to discuss your claim and potential coverages in further details. Provided the claims number, adjusters name and contact number.  
-Jordan Washington (05/15/2018 07:46 AM)

## Documents